ARTICLE III

Issuance of Bonds

Section 1. Upon the execution and delivery of the Mortgage, and whether before or after the recording of the Mortgage, Bonds of Series A in the aggregate principal amount of Fifty-five Million Dollars ($55,000,000) may be executed by the Company and shall be authenticated by the Corporate Trustee and delivered to or upon the written order of the Company, signed by its President or a Vice President, without any further action on the part of the Company.

Section 2. No Bonds shall be authenticated or delivered by the Corporate Trustee pursuant to the provisions of this Article III at any time when an Event of Default shall have occurred and be continuing.

Section 3. From time to time and in the manner provided in this Section 3, Bonds of one or more series created solely pursuant to this Section 3 (hereinafter referred to as "Free Bonds") may be executed by the Company and shall be authenticated by the Corporate Trustee and delivered to or upon the written order of the Company, signed by its President or a Vice President, for or on account of the property owned by the Company at January 1, 1950, upon delivery to the Corporate Trustee of:

(a) An Application for the authentication of Bonds under this Section 3, stating the principal amount of Bonds the authentication of which is applied for; and

(b) The documents specified in Section 10 of this Article III.

No Free Bonds shall be authenticated and delivered by the Corporate Trustee if, as a result, the aggregate principal amount of such Bonds at the time outstanding would exceed $12,000,000.

Section 4. From time to time and in the manner provided in this Section 4, Bonds of one or more series, other than Series A and a series created pursuant to Section 3 of this Article III, may be executed by the Company and shall be authenticated by the Corporate Trustee and delivered to or upon the written order of the Company, signed by its President or a Vice President, for or on account of Additions and Betterments acquired or constructed during a period beginning not more than 60 months prior to the date of an Application for the authentication of such Bonds; provided, however, (i) that the principal amount of such Bonds shall not exceed 65% of the Net Cost of such Additions and Betterments, (ii) that no Bonds shall be authenticated and delivered on the basis of Additions and Betterments that have theretofore been Bonded, and (iii) that the Company shall have expended all of the funds which it has covenanted to apply only to the Cost of Additions and Betterments under the provisions of Section 21 of Article VII.

Bonds shall be authenticated and delivered under this Section 4 upon delivery to the Corporate Trustee in each case of:

(a) An Application for the authentication of Bonds under this Section 4, stating the principal amount of Bonds the authentication of which is applied for;

(b) The documents specified in Section 10 of this Article III;

(c) An Officers' Certificate stating:

(1) A description of the Additions and Betterments made the basis of the Application, in such reasonable detail as shall be sufficient to permit identification thereof, and a statement that such Additions and Betterments were acquired or constructed by the Company during a period beginning not more than 60 months prior to the date of the Application and have not theretofore been Bonded;